

MULTILATERAL ECONOMIC ASSISTANCE

International Financial Institutions
International Organizations and Programs

This page intentionally left blank.

International Financial Institutions

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
IFI	1,219,199	1,277,236	1,328,968

International Financial Institutions (IFIs) provide loans, grants and investments in developing and transition economies and private sector enterprises in countries where risks are too high for private financing alone and where leverage is needed to encourage private financing. Bank policies and assistance programs reflect U.S. priorities in promoting growth, increasing productivity, and reducing poverty in developing countries.

The FY 2007 request for the IFIs is \$1.329 billion of scheduled annual commitments including the initial scheduled commitments for the first replenishment of the Inter-American Development Bank - Multilateral Investment Fund (MIF) and the seventh replenishment of the International Fund for Agricultural Development (IFAD-7).

The FY 2007 request, through funding for the International Development Association (IDA) and the African Development Fund (AfDF), supports key international development priorities such as the landmark debt relief initiative, secured by the United States working with the UK and other key countries, that will end the destabilizing lend-and-forgive cycle of development assistance for the world's poorest and most heavily indebted countries, freeing up funds for more effective and measurable economic growth and poverty reduction programs.

Through U.S. leadership in the IFI replenishment negotiations, key policy reforms were initiated, reinforced and extended in the international financial institutions that will improve debt sustainability and increase grants, further measurable results, and increase transparency and fight corruption.

Debt sustainability frameworks were adopted in IDA, AfDF, and IFAD that will provide a significant increase in grant resources to the poorest countries. IDA will provide approximately 30% of its total resources to the world's poorest and debt vulnerable countries as grants and the AfDF will raise the estimated grant share from about 20 percent to over one-third of available resources. The Asian Development Fund's eighth replenishment established, for the first time in the AsDF, a grant window where approximately 30 percent of assistance to the poorest countries will be in the form of grants.

Results measurement systems were expanded significantly through the IDA-14 and AfDF-10 replenishments and will be robust with the adoption of clear, measurable goals and targets and results-based management processes and standards.

Measures to improve transparency and efforts to fight corruption in countries, on bank projects, and in the institutions themselves were strengthened. IDA will conduct an independent assessment of its internal controls framework, the AfDB established a new anti-corruption and investigative unit, the IDB overhauled its procurement policies and practices to conform to best international practices, and AsDB significantly increased its in-country governance programs.

In the replenishment for the Multilateral Investment Fund (MIF), the United States achieved its key objectives including a strengthened commitment to measurable results, increasing efficiency, allocating resources to maximize innovation, and reforming the procurement guidelines of the Inter-American Development Bank.

In the replenishment negotiations for the International Fund for Agricultural Development (IFAD-7), the United States achieved its key objectives, including a time-bound and measurable plan to increase IFAD's effectiveness, improved implementation of the performance-based allocation system including removing fixed regional allocations, a debt sustainability framework that will result in an increase in grant funding, and increased transparency and anti-corruption measures.

International Financial Institutions
(\$ in thousands)

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
Global Environment Facility*	106,640	79,200	56,250
International Development Association	843,200	940,500	950,000
Multilateral Investment Guarantee Agency	-	1,287	-
Asian Development Fund	99,200	99,000	115,250
Asian Development Bank*	-	-	23,750
African Development Bank	4,067	3,602	5,018
African Development Fund	105,152	134,343	135,700
European Bank for Reconstruction and Development	35,148	1,006	-
Enterprise for the Americas Multilateral Investment Fund	10,912	1,724	25,000
Inter-American Investment Corporation	-	1,724	-
International Fund for Agricultural Development	14,880	14,850	18,000
Total	1,219,199	1,277,236	1,328,968

*The GEF total represents an estimate based on progress in current replenishment negotiations. This amount could be higher or lower depending on the outcome of these negotiations. Pending the outcome of the GEF negotiations, the request also includes funding for a new environment program at the Asian Development Bank to support the Asia-Pacific Partnership on Clean Development and Climate.

International Organizations and Programs

(\$ in thousands)

Account	FY 2005 Actual	FY 2006 Estimate	FY 2007 Request
IO&P	300,967	326,163	289,000

The FY 2007 request of \$289,000,000 for voluntarily funded International Organizations and Programs (IO&P) will advance U.S. strategic goals by supporting and enhancing international consultation and coordination. This approach is required in transnational areas such as protecting the ozone layer or safeguarding international air traffic, where solutions cannot be effective unless problems are addressed globally. In other areas, such as development programs and addressing the needs of children and mothers, the United States multiplies the influence and effectiveness of its contributions through support for international programs.

UN Center for Human Settlements (UN-HABITAT) (\$400,000)

Over the next fifteen years, 90 percent of the world's population growth will occur in the cities of the developing world, severely challenging the capacity of local and national authorities to provide the most basic services. UN-HABITAT is the lead UN agency charged with responding to the challenges of urban poverty, which also impact U.S. national interests in areas of regional stability, health, and economic prosperity. In 2001, the United Nations General Assembly recognized the importance of UN-HABITAT's mission and the significant improvements in its management by elevating its status within the UN system.

The FY 2007 IO&P request would support a \$400,000 contribution to the core budget of UN-HABITAT. The core budget supports program operations in 80 countries to train local authorities in urban planning, creating regulatory frameworks, providing basic infrastructure, involving women and communities in decision-making, and other key skills needed to manage and govern effectively. UN-HABITAT's core budget in 2004 was approximately \$11 million. UN-HABITAT programs also mobilize domestic resources for slum upgrading, promote secure tenure, fund research on the scope and condition of global slums, and support the dissemination of information on effective programs that improve the lives of slum dwellers.

International Development Law Organization (IDLO) (\$300,000)

The International Development Law Organization (IDLO) is an intergovernmental organization based in Rome that provides training and technical assistance to developing countries in the areas of the rule of law and good governance with the purpose of alleviating poverty. IDLO has trained 13,000 judges, prosecutors, public defenders, and other legal professionals from 162 countries and provided training-related technical assistance in virtually all developing and transition economy countries. IDLO's work in the Middle East complements U.S. democracy goals. For example, in Afghanistan, IDLO trained 450 judges and provided technical assistance on legislative reforms. IDLO counts 38 Alumni Associations around the world that provide legal resources, advice and assistance to NGOs and the local legal community—thus ensuring a multiplier effect. Many of IDLO's alumni have risen to high-level positions in their governments. IDLO is a lean, effective organization with 17 Member States including the United States. FY 2007 IO&P funding would help support IDLO's core budget, which was approximately \$7 million for 2004. IDLO has also received program funding from the U.S. Agency for International Development (USAID).

UN Office for the Coordination of Humanitarian Affairs (UN OCHA) (\$1,000,000)

The FY 2007 request includes a contribution for OCHA to fund core operating resources. This funding will help OCHA maintain the staff necessary to prepare for emergencies and respond quickly, with improved coordination amongst UN agencies, when man-made or natural disasters occur. OCHA was among the first UN agencies to respond to the aftermath of the 2004 Asian tsunami, sending staff to the region within days of the catastrophe. Since the U.S. intervention in Afghanistan in 2002, the United States has relied on OCHA to an ever-greater degree to coordinate massive UN relief programs. Under the leadership of a dynamic Under Secretary-General, OCHA is also working to coordinate political and humanitarian efforts to assist hard-to-reach population groups, such as in Sudan, North Korea, Uganda, and Colombia. This goal is consistent with U.S. foreign policy and it requires the maintenance of a stable office.

United Nations Voluntary Fund for Technical Cooperation in the Field of Human Rights (\$1,425,000)

The UN Voluntary Fund for Technical Cooperation in the Field of Human Rights provides support to nations who seek assistance in strengthening their own democratic institutions and protecting the human rights of their citizens. Many of these nations are newly independent, and are struggling to adopt, implement and adhere to the democratic principles promoted by the donor nations. In recent years, as more countries have begun the transition to democracy, the number of requests for assistance has increased considerably. FY 2007 funding will help continue to leverage increased contributions by other governments and demonstrate the U.S. commitment to an efficient and responsive human rights mechanism.

United Nations Voluntary Fund for Victims of Torture (\$4,750,000)

The UN Voluntary Fund for Victims of Torture provides worldwide humanitarian assistance to torture victims and their families. The Fund also finances training programs for health care professionals specializing in the treatment of torture victims and human rights courses for government officials and police forces. U.S. contributions to the Fund underscore our commitment to the rights of the individual and to the essential importance of protecting these rights in order to reinforce a climate of respect for the rule of law, good governance and human rights. Contributions to the Fund also demonstrate the U.S. commitment to humanitarian assistance to victims of human rights violations.

Organization of American States Fund for Strengthening Democracy (\$2,500,000)

Strengthening democracy is at the heart of U.S. policy in the Western hemisphere. In recent years, the OAS has demonstrated new-found strength and purpose in promoting representative democracy and respect for human rights and the rule of law. The OAS Fund for Strengthening Democracy is a small, but highly effective investment to mobilize hemispheric efforts through conflict resolution, electoral observation missions and technical assistance, and programs to reinforce democratic institutions and political parties.

The fund supports the Inter-American Commission on Human Rights, which monitors and adjudicates human rights complaints in the hemisphere, and its Special Rapporteur for Freedom of Expression. It contributes to the highly successful OAS demining program, which is making real progress toward the achievement of a mine-free Central America. In addition, Summits of the Americas mandates, as well as recent OAS commitments to implement the Inter-American Democratic Charter, have substantially

increased demands on the OAS Democracy Fund to support efforts to address and prevent threats to democracy throughout the hemisphere.

The FY 2007 IO&P request for the OAS Democracy Fund will be used to promote democracy programs as described, as well as support the OAS Special Mission to Strengthen Democracy in Haiti, whose security professionals are currently assisting with the police academy intake candidate vetting essential for successful elections in 2006 and domestic stability in the coming years by developing a non-partisan, professional police force. The Special Mission also provides assistance to the Interim Government of Haiti in human rights, administration of justice, elections preparations and public affairs. The OAS is an important mechanism for maintaining our commitment to democratic governance in this fragile nation.

United Nations Development Program (UNDP) (\$94,500,000)

UNDP is the UN's primary development agency, with a presence in over 136 countries. UNDP's core goals are: (1) reducing human poverty; (2) fostering democratic governance; (3) managing energy and environment for sustainable development; (4) supporting crisis prevention and recovery; and (5) responding to HIV/AIDS. UNDP's work in democratic governance and post-conflict reconstruction is also a valuable part of its international efforts.

The FY 2007 IO&P request for UNDP aims to support UNDP infrastructure while directing our resources to better support the UNDP activities in which the United States has the greatest interests and which support countries' efforts to improve their governance. U.S. funding requested includes \$50 million for UNDP's regular budget for general program and organization support, \$24.5 million for the Democratic Governance Thematic Trust Fund, and \$20 million for the Thematic Trust Fund for Crisis Prevention and Recovery.

United Nations Development Fund for Women (UNIFEM) (\$950,000)

UNIFEM's goal is to improve significantly the status of and opportunities for women in the least developed countries through greater participation in political, economic, and social life. Investments in women—in their health, education, and economic access—are key components of sustainable development. The more education women have, the more likely they are to be economically productive and engage in public life. They are also more likely to begin childbearing later in life, to educate their children, and to have healthier children—passing the advantages they have gained on to the next generation. UNIFEM's goals coincide with several key U.S. strategic goals: economic development, democracy and human rights, and global growth and stability.

UNIFEM works in over 100 countries with a growing network of affiliated individual advisors and organizations in Africa, the Arab States, Asia and the Pacific, Central and Eastern Europe, as well as Latin America and the Caribbean. UNIFEM receives over \$36 million in annual contributions from governments. In recent years, the U.S. has contributed approximately \$1 million a year to UNIFEM.

Organization of American States Development Assistance Programs (\$5,225,000)

The promotion of economic prosperity and sustainable development are essential underpinnings of stable democratic governments and are key U.S. policy objectives in the Western Hemisphere. As in past years, FY 2007 funding requested will continue to advance those goals by promoting OAS development cooperation programs and leveraging additional contributions from member and observer states.

Specifically, the OAS Inter-American Agency for Cooperation and Development (IACD) strengthens program execution and provides a mechanism for partnerships with private sector and non-governmental entities to develop projects that promote economic and social development. This includes projects in the areas of education (including scholarships), trade (including preparing Caribbean states for the Free Trade Area of the Americas), commerce, rural development, and science and technology (including engineering and science incubators and other projects that will prepare the workforce for jobs in this field).

In response to Summit of the Americas mandates to improve the quality of education in the hemisphere, the IACD has developed teacher training programs, including programs available online through the Education Portal of the Americas. The FY 2007 funding requested will also help support implementation of 2007 Summit of Americas mandates by leveraging additional contributions from other states and the private sector.

World Trade Organization (WTO) (\$950,000)

The successful conclusion of the WTO Doha Round of trade negotiations remains a key U.S. international economic policy objective. Providing a strong trade capacity building assistance program for developing countries is essential to making progress in the Doha Round.

Ministers at the November 2001 WTO Doha Ministerial Conference underscored the importance of assisting developing countries to build trade capacity so that they might participate more fully in the WTO and the global economy. The commitment by developed countries to provide capacity building assistance was key to convincing developing countries to agree to launch the Doha Round. For this reason, the WTO established the Doha Development Agenda (DDA) Global Trust Fund to support developing countries' efforts to actively engage in WTO trade negotiations.

The WTO Global Trust Fund assists developing countries in implementing and participating in these negotiations, allowing them to further liberalize and open their trading systems. The requested FY 2007 funding for the WTO Global Trust Fund will support required technical assistance to ensure all WTO Members share in the benefits of world trade, and will be supplemented by contributions by other developed countries. The requested contribution, like previous U.S. contributions to the Fund, will assist recipient countries in understanding and adopting open and transparent rules and regulatory regimes; implementing multilateral rules (which will help boost U.S. exports); and laying the foundation for sound economic reforms that contribute to growth and stability. During the 1990's, the lowering of trade barriers contributed to five percent GDP growth annually among developing countries who were members of the WTO.

U.S. contributions to the Fund advance market-opening negotiations in the Doha Round, resulting in substantial benefits to American business, workers and consumers. During the 1990's, the lowering of trade barriers helped U.S. exports to reach approximately \$1 trillion annually, generating employment for 12 million Americans.

Successful and timely conclusion of the Doha Round will help achieve our strategic goals of further market opening, expansion of U.S. exports, and international growth and stability. Maintaining full funding for the WTO DDA Trust Fund for FY 2007 will underscore our strong commitment to the Doha Round, in particular the importance we attach to full participation of developing countries.

International Civil Aviation Organization (ICAO) Aviation Security Fund (\$950,000)

The ICAO Aviation Security Fund aims to strengthen aviation security worldwide by preventing terrorism and unlawful interference with civil aviation and its facilities. ICAO has established new standards for cockpit security and crew procedures. ICAO is also implementing a global harmonized blueprint for the introduction of biometric facial recognition information into passports, visas, and other machine-readable travel documents. Rapid and effective adoption of these standards worldwide will have significant benefits for the U.S. by enhancing the security of foreign aircraft entering U.S. airspace and using U.S. airports.

ICAO's security audit program monitors compliance with security standards by identifying countries that do not adhere to the standards and helping them develop and implement actions to comply. The FY 2007 request will provide funding to enable the completion of additional security audits in more countries. This contribution is consistent with U.S. advocacy within the G-8 for continued contributions for aviation security and expanded support for the AVSEC program.

International Maritime Organization Security Programs (IMO) (\$400,000)

Foreign ships from foreign ports enter the United States many thousands of times each year, many with cargos and/or crew members that could pose a security threat. At U.S. urging, the IMO launched a major maritime security initiative after 9/11, culminating in approval of security amendments to the International Convention for the Safety of Life at Sea (SOLAS) and an international Code for the Security of Ships and of Port Facilities, which greatly increases the security responsibilities of governments, ports, companies, and ships. These standards went into effect worldwide in 2004. Effective implementation of these standards will have significant benefits for the United States by enhancing the security of foreign vessels entering U.S. ports and by improving security of foreign ports visited by U.S. vessels.

U.S. funding requested for FY 2007 will continue to support vital IMO technical assistance, which is in high demand, to countries to help them meet and maintain the new security standards. It will also help fund IMO evaluations of flag state adherence to IMO standards under an audit program currently being implemented to enhance adherence to safety and environmental, as well as security, standards.

United Nations Environment Program (UNEP) (\$9,524,000)

The UNEP is the world's largest international environmental organization, and as such is the primary policy forum at which the countries of the world meet to decide how to address critical emerging environmental threats. UNEP has launched a wide range of important negotiations, such as those dealing with depletion of the ozone layer, global warming, loss of bio diversity, the trade in hazardous wastes, and pollution from persistent organic pollutants and other toxic chemicals and pesticides, providing an essential policy forum for dealing with global environmental problems that a single country or region could not address unilaterally.

UNEP also sponsors a wide range of environmental programs, many of which are important to U.S. interests. For example, UNEP's regional seas program helps to address marine pollution and protects ecosystems around the globe. Its Division of Early Warning and Assessment works to identify new global environmental problems. UNEP's Chemicals Unit has supported important work in the development of new international agreements to address emerging U.S. concerns such as mercury pollution. The Post Conflict Assessment Unit is playing a vital role in helping nations such as Afghanistan and Liberia address the environmental degradation resulting from conflicts. Other important UNEP programs include its

support for the development of strong environmental laws and regulations in developing countries, its promotion of best available environmental technologies, and its work to identify the problems associated with air pollution in Asia (the Atmospheric Brown Cloud). UNEP has joined the United States as a major partner in the “White Water to Blue Water Partnership” integrated watershed management program, and has worked closely with the United States to provide NASA LANDSAT satellite data to African governments for monitoring land use and environmental change. This FY 2007 funding request will support these important ongoing activities and provide additional resources for new work related to mercury pollution, Iraq, Indian Ocean tsunami response, and Sudan, as conditions permit.

Montreal Protocol Multilateral Fund (\$19,000,000)

Ozone depletion is a global problem, and the Montreal Protocol Multilateral Fund provides resources to developing country parties to the Protocol to support efforts to reverse the human-created damage to the ozone layer, as a result of emissions of ozone-depleting substances (ODSs). With the U.S. contribution, the Fund will help ensure that ODS phase-out schedules are met. To date, U.S. contributions have provided significant opportunities for American industries to export technologies and consulting expertise. The U.S. is a leader in ozone protection technologies and has captured a significant portion of the economic opportunities created by Multilateral Fund projects.

The Montreal Protocol on Substances that Deplete the Ozone Layer, which was ratified by the United States in 1988, protects the ozone layer by setting forth measures to control the global emissions of substances, such as chlorofluorocarbons, which deplete it. These manufactured chemicals emitted into the atmosphere have led to the destruction of the stratospheric ozone layer, permitting dangerously high levels of ultraviolet (UV) light to reach the earth's surface. Increasing UV radiation has been linked to higher rates of skin cancer, cataracts, and immunosuppression in humans and other animals, as well as harmful alterations to global ecosystems. Since the inception of the Fund, over \$1.2 billion in assistance for agreed incremental costs has been provided in over 3,500 projects to more than 120 developing countries. When fully implemented, these projects will result in the permanent elimination of over 140,000 tons of ozone depleting substances. Obligations taken on by both developed and developing countries to the Protocol are expected to bring the ozone layer back to its pre-industrial state sometime around 2050.

International Conservation Programs (\$5,906,000)

Many developing countries face the daunting challenge of improving their standard of living while at the same time preserving their natural resources. Illegal logging and related illegal trade and corruption in the forest sector, for example, are robbing governments of much needed revenue. U.S. contributions to international conservation programs help address these problems by providing the means, policy approaches, and technical expertise to assist developing countries in building their capacity to conserve and sustainably manage vital ecological and economic natural resources. In some cases, modest U.S. contributions leverage millions of dollars in project co-funding. In addition, these programs offer mechanisms for the exchange of information and new environmental technologies, which have provided valuable new market opportunities for U.S. expertise and technical know-how. These international programs include:

- The World Conservation Union (IUCN), the foremost scientific forum for the advancement of conservation and sustainable development objectives and complements the international environmental priorities of U.S. agencies.

- The International Tropical Timber Organization (ITTO), the only international forum which brings together both producing and consuming countries of tropical timber to address all aspects of the tropical timber economy, including promotion of market transparency and sustainable management of the tropical forest resource base.
- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the only treaty that monitors and regulates the international trade in species that are determined by the 154 parties to be threatened with extinction within their natural range, such as elephants, rhinoceros and many crocodylia.
- The Ramsar Convention on Wetlands of International Importance (RAMSAR), the only global framework for national action and international cooperation for the conservation and wise use of wetland resources.
- The U.S.-inspired United Nations Forum on Forests (UNFF), which was established in 2000 as a subsidiary body of the Economic and Social Council (ECOSOC), with the mandate to facilitate sustainable forest management, raises the standards of other countries to U.S. levels, and enhances cooperation and coordination among the many international organizations and treaties related to forest issues.
- The United Nations Convention to Combat Desertification (UNCCD), set up to address the fundamental causes of famine and food insecurity, especially in Africa, by stimulating more effective partnership among government representatives, local communities, and NGOs, encouraging the dissemination of information derived from new technology.
- The Montreal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests.
- The National Forest Program Facility of FAO, which integrates sustainable forest management into broader national policies to promote sustainable livelihoods and to build consensus among stakeholders on how to address forest issues in the context of sustainable development.

Intergovernmental Panel on Climate Change (IPCC) / United Nations Framework Convention on Climate Change (UNFCCC) (\$5,320,000)

The IPCC and UNFCCC are the premier international structures for scientific assessments of climate change and for multilateral cooperative efforts to address climate change. U.S. participation promotes international climate change cooperation that is science-based and consistent with U.S. environmental and economic interests.

The FY 2007 budget request for the IPCC and UNFCCC would be used to provide support to IPCC core activities and programs; the UNFCCC administrative budget for the 2006-07 biennium; voluntary contributions toward UNFCCC trust funds for developing country participation and for supplementary activities that advance U.S. interests; the Global Climate Observing System and the successor organization to the Group on Earth Observation for providing comprehensive observations for monitoring, modeling, and predicting climate variability and change; and voluntary contributions to help fund the Annex I Experts Groups, an ad hoc group related to the UNFCCC that addresses implementation issues.

U.S. participation in and support for the UNFCCC helps advance specific Administration initiatives regarding technology transfer to and capacity-building in developing countries, as well as the enhancement

of bilateral climate change cooperation. U.S. participation in and support for the IPCC helps advance specific Administration initiatives regarding climate change science and technology, including global observation systems, carbon sequestration, and climate modeling.

United Nations Educational, Scientific and Cultural Organization (UNESCO)/International Contributions for Scientific, Educational and Cultural Activities (ICSECA) (\$1,000,000)

World Heritage Committee (WHC) – The FY 2007 request will provide for continued U.S. participation in the WHC, which supports technical assistance to countries for the protection and related preservation of their world heritage sites, as well as emergency assistance to stabilize World Heritage sites. The funding requested also makes the U.S. eligible to serve on the WHC’s governing “Executive Committee,” a position which strengthens the U.S. ability to advance both its interests in achieving a more efficient and effective organization, and expanding assistance to developing countries to preserve their World Heritage sites. WHC members must make a payment (either on an assessed or voluntary basis) equal to at least 1% of their annual UNESCO assessment in order to be eligible to serve on the Executive Committee. In FY 2005 this totaled \$671,000.

Intergovernmental Oceanographic Commission (IOC) – For the coordination of international ocean science programs of critical interest to the U.S., ICSECA funding would continue to support the unique mandate and role of the IOC, which the U.S. supported throughout its 18 year absence from UNESCO. IOC programs support research to improve forecasts, including tsunami warnings, for the protection of life and property and also play a critical role in the President’s Earth Observation Initiative.

ICSECA funding requested will also support international science programs conducted in collaboration with the National Academies of Science and Engineering. These programs bring science, technology, and engineering know-how to bear in solving practical problems such as access to clean water and securing stable and renewable energy.

World Meteorological Organization (WMO) Voluntary Cooperation Program (\$1,900,000)

Since its inception in 1967, the WMO’s Voluntary Cooperation Program has provided training and equipment to help developing countries participate in WMO programs, particularly the World Weather Watch (WWW). WWW provides the framework to coordinate the exchange of weather data and information through observation, telecommunication, and processing centers operated by nations throughout the world. The result of the WWW programs is the 24-hours-per-day/7-days-a-week global exchange of vital atmospheric and oceanic data and products that give the United States and other nations the basic information needed to better forecast severe weather events; assist with critical information on natural and man-made disasters that affect life, safety, water use, and crop yields around the globe; support civil aviation; provide basic global data needs for industry and many U.S. agencies, including the Department of Defense; and monitor changes in the climate throughout the world.

United Nations Children’s Fund (UNICEF) (\$123,000,000)

UNICEF acts as a global champion for children and strives to ensure the survival and well being of children throughout the world. In this role it has well-developed capacities in the areas of humanitarian relief and long-term development. The success of UNICEF in addressing the needs of children and their caregivers has a direct impact on US national interests, including international security, health, education, economic prosperity, democracy and human rights, humanitarian response, and crime and drugs. The U.S. has played

a leadership role in UNICEF since its inception and continues to do so. UNICEF's previous Executive Director, Carol Bellamy (American), completed her second five-year term in April of 2005 and was replaced by former U.S. Secretary of Agriculture Ann Veneman.

UNICEF is active in 156 countries, vaccinating children, providing them nutritional supplements and safe drinking water, catalyzing national governments to invest in the health and education of future generations, and working directly with communities to give children the best start possible in life. UNICEF currently focuses on five priority areas: Immunization; Early Childhood Development; Education; HIV/AIDS; and Child Protection. UNICEF is an active U.S. partner in each of these areas, and enjoys strong relationships on technical matters with USAID, the Department of Health and Human Services' Centers for Disease Control, Peace Corps, the Department of State and others. UNICEF's strategic plan for 2006-2009, which is being developed with substantial involvement of its Executive Board members, is expected to refine and extend these priority areas, giving a welcome emphasis to child survival programs and on measuring results across all program areas.

In 2004, USAID interest in UNICEF remained focused on the basic health infrastructure of developing countries. The Child Survival Partnership was launched by UNICEF with strong USAID support. Other global efforts supported by the United States, such as the global Polio Eradication Initiative and the Roll-Back Malaria campaign, also draw heavily on the field presence, technical expertise and logistical capabilities of UNICEF. Partnerships with UNICEF extend into diverse areas including water and sanitation, protecting children affected by armed conflict, and addressing the issues around children orphaned by HIV/AIDS.

UNICEF also has a strong humanitarian response capability that it put to good use in responding to the Asian tsunami crisis. Reflecting its strong public image as an agency able to help children in need, UNICEF collected \$442 million to respond to the crisis (or 3 times its flash appeal) and was forced to stop accepting donations. Working with former Presidents Bush and Clinton, UNICEF is directing much of that funding to traditionally under served activities providing water and sanitation.

Within the UN system, UNICEF is a lead agency in pioneering reforms such as joint-programming and utilizing joint premises. UNICEF is also a leader in partnerships with civil society and the private sector. Unique among UN agencies, UNICEF receives nearly one-third of its financial support, or nearly \$500 million per year, in the form of private sector contributions. Using "goodwill ambassadors" and donations-in-kind, UNICEF has leveraged these relationships in direct support of program activities. UNICEF has also made significant progress in moving to results-based management of its operations. The 2006-2009 strategic plan for UNICEF reinforces the importance of these partnerships, and sets specific measurable targets for both its programs and its internal management. It also recognizes coordination within the UN system as an area for improvement in UNICEF's work.

Because of substantial private sector support to UNICEF and support from other governments, combined U.S. contributions from IO&P and other sources are well leveraged, and typically account for less than 20% of UNICEF's total annual budget of roughly \$1.5 billion. The close ties between the U.S. and UNICEF, as well as our active participation on the Executive Board offer a strong rebuttal of critics who question the U.S. commitment to the UN, to multilateralism and to addressing humanitarian crises and development challenges.

The centrality of the survival and well being of children to U.S. national interests of international security, health, and prosperity merit a significant investment in the mission of UNICEF. The reach and reputation of UNICEF make it an institution with a unique capability to convene and utilize events like the 2002 UN General Assembly Special Session on Children to mobilize political and economic will for investing in future generations. Strong U.S. support for core funding of UNICEF enables an institution central to our

interests, and reflective of the humanitarian spirit of the American people, to go about its important work in partnership with the world.

United Nations Democracy Fund (UNDEF) (\$10,000,000)

President Bush proposed the establishment of a UN Democracy Fund in his 2004 speech to the UN General Assembly. The primary purpose of this trust fund is to promote democracy throughout the world by providing assistance for projects that build and strengthen democratic institutions and facilitate democratic governance in new, emerging and consolidated democracies.

UN Secretary General Annan announced the opening of the UNDEF trust fund on July 4, 2005. An initial U.S. contribution of \$10 million was provided in FY 2005, and an additional \$7.9 million is anticipated to be provided in FY 2006. U.S. funding has spurred significant participation from a host of other nations, underscoring the growing trend of support for democracy and democratic values in all regions of the world. The FY 2007 IO&P request for the UNDEF will help the trust fund continue to ramp up to its full potential.

The UN has an important role to play in promoting democracy. The UNDEF will provide grant and in-kind assistance for projects that help develop civil society and democratic institutions. An Advisory Board will help ensure that the UNDEF does not duplicate existing UN democracy programs being implemented by other UN agencies. Rather, it will help increase overall coordination of democracy efforts and help fill a crucial funding gap for civil society organizations engaged in democratization programs.

International Organizations and Programs
(\$ in thousands)

	FY 2005	FY 2006	FY 2007
	Actual	Estimate	Request
International Organizations			
Center for Human Settlements	149	149	400
IMO Maritime Security Programs	99	396	400
International Civil Aviation Organization	992	941	950
International Conservation Programs	6,349	5,890	5,906
International Contributions for Scientific, Educational, and Cultural Activities	837	990	1,000
International Development Law Organization	-	-	300
International Panel on Climate Change/UN Framework Convention on Climate Change	5,952	5,940	5,320
Montreal Protocol Multilateral Fund	21,328	21,285	19,000
OAS Development Assistance Programs	4,861	4,702	5,225
OAS Fund for Strengthening Democracy	2,976	2,475	2,500
Reserve to be Allocated	-	22,275	-
UN Children's Fund	124,000	125,730	123,000
UN Democracy Fund (UNDEF)	[10,000]	[7,920]	10,000
UN Development Fund for Women	1,984	3,218	950
UN Development Program	108,128	108,900	94,500
UN Environment Program	10,912	10,159	9,524
UN Office for the Coordination of Humanitarian Affairs (UN OCHA)	-	805	1,000
UN Voluntary Fund for Technical Cooperation in the Field of Human Rights	1,488	1,485	1,425
UN Voluntary Fund for Victims of Torture	6,944	6,517	4,750
UNIFEM Trust Fund	992	1,485	-
World Meteorological Organization	1,984	1,881	1,900
World Trade Organization	992	940	950
Subtotal - International Organizations	300,967	326,163	289,000
Total	300,967	326,163	289,000

Bracketed amounts reflect funding provided from prior year IO&P and other appropriations.